

## TRANSMITTAL OF APPEAL BRIEF (Large Entity)

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Docket No.  
01-1-129

In Re Application Of: Mester

Application No.	Filing Date	Examiner	Customer No.	Group Art Unit	Confirmation No.
10/617,472	July 11, 2003	Gilligan, Christopher L.	010534	3626	3461

Invention: WARRANTY MANAGING PROCESS

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Transmitted herewith is the Appeal Brief in this application, with respect to the Notice of Appeal filed on:

April 4, 2006

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Dated: May 31, 2006

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CC:



IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Unit: 3626 )  
Examiner: Gilligan, Christopher L. )  
Inventor(s): Mester, David J. )  
Serial No.: 10/617,472 )  
Filing Date: July 11, 2003 )  
For: WARRANTY MANAGING PROCESS )  
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)

**APPEAL BRIEF**

Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

Dear Sir:

By Notice of Appeal filed on April 4, 2006, applicant has appealed the final rejection of claims 1 – 20 communicated in the Office Action dated January 26, 2006. Applicant submits this brief in support of that appeal.

06/06/2006 CNGUYEN 00000030 10617472  
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### **REAL PARTY IN INTEREST**

The real party in interest is Detroit Diesel Corporation, having a place of business at 13400 West Outer Drive, Detroit, Michigan 48239, as evidenced by the Assignment of the Inventor, David J. Mester, recorded on July 11, 2003 at Reel 014273 and Frame 0085 in the United States Patent and Trademark Office.

### **RELATED APPEALS AND INTERFERENCES**

There are no related appeals or interferences regarding the present application.

### **STATUS OF THE CLAIMS**

Claims 1 – 20 were originally pending in this application. Claims 1 – 20 have been finally rejected. The rejection of claims 1 – 20 is being appealed. A clean copy of claims 1 – 20 is attached hereto at The Claims Appendix.

### **STATUS OF AMENDMENTS**

Claims 1, 3 – 13, 15 – 16 and 18 were originally, finally rejected under 35 U.S.C. § 103(a) in the January 11, 2005 Office Action as being unpatentable over Published U.S. Patent Application No. 2003/0061104 to Thompson et al. in view of Published U.S. Patent Application No. 2003/0167191 to Slabonik et al. Claims 2, 19 and 20 were similarly rejected as being unpatentable over the published Thompson et al. application in view of Slabonik et al. as applied to claim 1 and in further view of U.S. Patent No. 5,307,262 to Ertel. Finally, claims 14 and 17 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Thompson et al. in view of Slabonik et al. as applied to

claims 13 and 15, respectively, and in further view of Published U.S. Patent Application No. 2001/0034722 to Tidball et al.

On April 19, 2005, the undersigned attorney for applicant had a telephone conference with the Examiner during which these references were discussed. As a result of these discussions and the suggestions made by the Examiner, independent claims 1, 19 and 20 were amended via a preliminary amendment filed with a Request for Continued Examination to further clarify that the method of the present invention involved determining the *monetary* value of the customer's claim against a manufacturer's product.

Nevertheless, on January 26, 2006, claims 1 – 20 were again finally rejected on the basis of three different references as described in greater detail below.

#### **SUMMARY OF THE CLAIMED SUBJECT MATTER**

The present invention as defined in independent claim 1 is a method of processing a customer claim against a manufacturer's product that includes the steps of inputting the claim through a computer to a database at a first management level, determining the monetary value of the claim, approving or denying the claim at the first management level when the monetary value of the claim is below a first predetermined level. The method includes a second management level that acts to review all claims input at the first management level and to approve or deny the claim when the monetary value of the claim is above the first predetermined level and below a second predetermined level. A third management level acts to review all claims input at the first and second management levels and to approve or deny the claim when the monetary value of the claim is above the second predetermined level (¶ 39, 45-62, Figs. 1 and 2).

Independent claim 19 is directed toward a method of processing a customer claim against a manufacturer's product when the claim is made for repair or replacement of the product after the expiration of a specified warranty period. Similarly, independent claim 20 is directed toward a method of processing a customer claim against a manufacturer's product when the claim is made for ancillary costs arising from customer expenses associated with the servicing of the product while still within the manufacturer's specified warranty period. Both independent claims 19 and 20 include the limitations set forth in independent claim 1 as described above. In addition, both independent claims 19 and 20 include a fourth management level to review all approved claims for accuracy and completeness and to inform the customer when a claim is denied and to inform an accounting management level when a claim has been approved and direct the accounting management level to reimburse the customer (¶ 39, 45-64, Figs. 1A, 2 and 11).

#### **GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL**

Claims 1 – 13, 15 – 16, and 18 – 20 were rejected under 35 U.S.C. §103(a) as being unpatentable over published U.S. Patent Application No. 2004/0111379 to Hicks et al. in view of U.S. Patent No. 5,182,705 to Barr et al. Claims 14 and 17 were similarly rejected as being unpatentable over the Hicks et al. application in view of Barr et al, and in further view of published U.S. Patent Application No. 2003/0018497 to Luedtke et al. In addition, in paragraphs 12, 13, and 18 of the final rejection the Examiner cites the Hicks reference in view of an unspecified “Monk” reference as a basis for rejection. However, the “Monk” reference is not identified on any of the PTO-892 forms in the file history of this application. Thus, the applicant believes this to be a typographical error in which “Monk” was inadvertently listed by the Examiner instead of reference to the Barr et al. ‘705 patent. Applicant noted the same discrepancy in response to the Office Action

dated July 29, 2005. However, it was not addressed in the final rejection. Accordingly, applicant proceeds herein under the assumption that the understanding set forth above is correct.

## **ISSUES**

### **A. 35 U.S.C. § 103**

The issue pending in this appeal is whether the invention described in claims 1 – 20 is obvious and therefore unpatentable under 35 U.S.C. § 103(a) in view of Published U.S. Application No. 2004/0111379 to Hicks et al.; U.S. Patent No. 5,182,705 to Barr et al.; and Published U.S. Application No. 2003/0018497 to Luedtke et al.

## **ARGUMENT**

### **A. The Examiner's Rejection**

In the final rejection dated January 26, 2006, the Examiner stated:

3. Claims 1-13, 15-16, and 18-20 are rejected under 35 U.S.C. 103(a) as being unpatentable over Hicks et al., U.S. Patent Application Publication No. 2004/0111379 in view of Barr et al., U.S. Patent No. 5,182,705.

4. As per claim 1, Hicks teaches a method of processing a customer claim against a manufacturer's product, said method includes the steps of: inputting the claims through a computer to a database at a first management level (see paragraph 0147, note that the disclosed system relies on computer input and databases to facilitate transactions, see paragraphs 0068 and 0075); determining the monetary value of the claim (see paragraph 0148); approving or denying the claim at the first management level when the monetary value of the claim is below a first predetermined level (see paragraphs 0148 and 0152). Hicks further teaches multiple management levels involved in processing the input claims (see paragraph 0148). Hicks does not explicitly teach that second and third management levels review the input claims to approve or deny the claims when the monetary value of the claim is above a first and second level respectively. Barr teaches a system for insurance claims management in which unprocessed payments for claims are

routed to the appropriate management level for review based on whether the claim amounts are above or below each management level's corresponding payment authorization amount (see column 52, lines 15-58). It would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate these claim processing features into the warranty claims processing method of Hicks. One of ordinary skill in the art would have been motivated to incorporate these features for the purpose of facilitating the function of the top management level in Hicks to enforce the various operational standards of the other management levels (see paragraph 0072) by enabling more detailed processing of warranty claims based on their monetary value as described by Barr.

5. As per claim 2, Hicks in view of Barr teach the method of claim 1 as described above. Hicks further teaches a fourth management level to review all approved claims for accuracy and completeness and to inform the customer when a claim is denied and to inform an accounting management level when a claim has been approved and direct the accounting management level to reimburse the customer (see paragraph 0152).

6. As per claim 3, Hicks in view of Barr teach the method of claim 1 as described above. Hicks further teaches the step of inputting a claim through a computer further includes the steps of accessing the corporate database through a computer connected to a corporate network, and opening a new record file for the customer (see paragraph 0172).

7. As per claim 4, Hicks in view of Barr teach the method of claim 3 as described above. Hicks further teaches the step of accessing the corporate database through a computer connected to a corporate network further includes the step of entering a predetermined login name and a predetermined password to request access (See paragraph 0170, in particular, smartcard and PIN verification).

8. As per claim 5, Hicks in view of Barr teach the method of claim 3 as described above. Hicks further teaches the step of accessing the corporate database through a computer connected to a corporate network further includes the steps of accessing the internet through any capably equipped computer, electronically accessing a world wide web interface to the corporate network, and electronically connecting the computer to the corporate network through the internet and world wide web connections (see column 0168).

9. As per claim 6, Hicks in view of Barr teach the method of claim 5 as described above. Hicks further teaches the step of electronically connecting the computer to the corporate network through the internet and world wide web connections further includes the step of entering a

predetermined login name and a predetermined password to request access (see paragraph 0170, in particular, smartcard and PIN verification).

10. As per claim 7, Hicks in view of Barr teach the method of claim 6 as described above. Hicks further teaches the step of inputting a claim through a computer further includes the step of selecting from [sic] a menu at least one operational link to another page for input of claim specific data (see paragraphs 0147 and 0168, because the system relies on a computer interface, including a browser, and application software, it is submitted that some sort of “page,” such as a browser page, is relied upon for input of data).

11. Claims 8-11 recited substantially similar limitations to those already addressed in claims 3-6 with the exception that they are directed to inputting an approval or denial of the claim. Because inputting an approval or denial of a claim is taught as described above with respect to claim 1, claims 8-11 are rejected for substantially similar reasons to claims 3-6.

12. As per claim 12, Hicks in view of Monk [sic] teach the method of claim 11 as described above. Hicks further teaches selecting from [sic] a menu at least one operational link to another page to generate a list of all open claims (see paragraphs 0147 and 0168, because the system relies on a computer interface, including a browser, and application software, it is submitted that some sort of “page,” such as a browser page, is relied upon for input of data). As described above, Hicks does not explicitly teach the additional review by the second and [sic] third management levels. However, Monk teaches [sic] Barr teaches a system for insurance claims management in which unprocessed payments for claims are routed to the appropriate management level for review based on whether the claim amounts are above or below each management level’s corresponding payment authorization amount (see column 52, lines 15-58). It would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate these claim processing features into the warranty claims processing method of Hicks. One of ordinary skill in the art would have been motivated to incorporate these features for the purpose of facilitating the function of the top management levels (see paragraph 0072) by enabling more detailed processing of warranty claims based on their monetary value as described by Barr [sic].

13. As per claim 13, Hicks in view of Monk [sic] teach the method of claim 12 as described above. As described above, Hicks does not explicitly teach the additional review by the second and [sic] third management levels. Barr further teaches selecting one claim file from the list of all open claims to select a specific claim to review (see column 52, lines 15-58, those claims identified as being above the payment authorization amount are interpreted by the Examiner to be the list of “all open claims”). It

would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate these features into the system of Hicks for the reasons given above with respect to claim 12.

14. Claims 15 and 16 recite substantially similar limitations to those already addressed in claims 12 and 13 with the exception that they are directed to the third management level. Because this feature has already been addressed in claim 1, these claims a [sic] rejected for similar reasons to claims 12 and 13.

15. Claim 18 recites substantially similar limitations to those already addressed in claims 12 and 13 with the exception that claim 18 is directed to the fourth management level. Because this feature has already been addressed in claim 2, this claims [sic] is rejected for similar reasons to claims 12 and 13.

16. Claims 19 and 20 recite substantially similar limitations to claims 1 and 2 with the exception that they specify that the claim occurs either after the expiration of a specified warranty period or within a specified warranty period. Hicks further teaches these time frames for filing a claim (see paragraphs 0144-0146). Therefore, these claims are rejected for similar reasons to claims 1 and 2.

17. Claims 14 and 17 are rejected under 35 U.S.C. 103(a) as being unpatentable over Hicks et al., U.S. Patent Application Publication No. 2004/0111379 in view of Barr et al., U.S. Patent No. 5,182,705 and further in view of Luedtke, U.S. Patent Application Publication No. 2003/0018497.

18. As per claim 14, Hicks in view of Monk teach the method of claim 13 as described above. Hicks does not explicitly teach the use of an approve or deny web page button to indicate claim decisions. Luedtke teaches a method that includes the feature of an approve or deny web page button to approve or deny financial terms of a reinsurance contract (see Figure 6, elements 85 and 86). It would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate this feature into the system of Hicks. One of ordinary skill in the art would have been motivated to incorporate this feature for the purpose of expediting insurance related transactions, such as claim approval or denial, through user friendly interface presentation (see paragraph 0011 of Luedtke).

19. Claim 17 recites substantially similar limitations to those already addressed in claim 14 with the exception that it is directed to the third management level. Because this feature has already been addressed in claim 1, this claim is rejected for similar reasons to claim 14.

Applicant respectfully submits that the final rejection of claims pending in this case is based on hindsight and relies on an improper reconstruction of the prior art, without any motivation in the art to do so. For these reasons as explained in greater detail below, applicant respectfully seeks reversal of the final rejection of claims 1 – 20 pending in this case.

## **B. The Prior Art**

### **1. Published U.S. Patent Application No. 2004/0111379 to Hicks et al.**

The Hicks et al. publication is directed toward providing a highly secure electronic interface that identifies and certifies the digital identity of individual parties over an electronic network, such as an Intranet or the World Wide Web Internet. According to Hicks et al., a group of individual member institutions create an entity, referred to hereafter as the root entity, to establish a global, interoperable network of financial institutions. The root entity is intended to be a commercially viable, for-profit business that facilitates domestic and international business-to-business electronic commerce. It does so by creating a framework that provides digital identity certification authority for its members, its participants, and all their associated employees. The participants issue digital identification certificates to the various involved parties who then use those certificates to affix digital signatures to messages sent through electronic communications systems. Warranties attesting to the validity of the digital identification may also be issued to protect the various participants. This is a "closed" system, in which only parties that have agreed to abide by the system's rules and regulations are allowed to participate.

As shown in Figures 1 and 2, the Hicks system is based on an operating model with five primary parties: root entity 102, an issuing participant 10, a subscribing customer 20, a relying participant 30, a relying customer 40, and a collateral custodian 112. Each component depicted in

Figure 2 is digitally identified and digitally certified by the root entity 102 and possesses its own digital identity certificate, which in turn is validated through the trusted hierarchy. Digital identity certificates are issued to L1 participants 106sub1, which then issue digital identity certificates to L2 participants 106sub2 or customers 108.

Each subscribing customer 20 subscribes to the system and is a customer of its issuing participant 10, and each relying customer 40 is a customer of its relying participant 30. Thus, each customer 108 interacts with the system through its respective participant 106. In a typical transaction, a seller (L2 level) asks its financial institution (L1 participant) to validate the credentials of a buyer (L2 level). The seller's financial institution (L1 level) contacts the buyer's financial institution (L1 level), which in turn attests to the digital identity of its customer, the buyer (L2 level). Conversely, if the buyer (L2 level) wishes to check a seller's (L2 level) digital identification certificate, the process takes place the same way, with each party relying on a digital certificate and digital signature by first consulting its own financial institution (L1 level).

In addition, as part of the process, the financial institution (L1 level) may offer a digital identity warranty service for either party. The issuing participant 10 is the primary obligor on warranties of digital identification certificates, while the relying participant 30 acts as an agent. Each L1 participant 106 maintains a collateral account with a collateral custodian 112, which is distinct and separate from issuing participant 10 and is provided in support of the warranty issuance by the L1 participant. As shown in Figure 4, step A, a prospective L1 participant 106sub1 applies for admission to the system. In step B, the prospective L1 participant 106sub1 receives and signs a participation agreement and agrees to be bound by the operating rules. Also in step B, the root entity 102 sets a maximum warranty cap for the prospective L1 participant 106sub1 and a collateral amount that the prospective L1 participant 106sub1 is required to post. The specific amount of collateral that

a L1 participant 106sub1 must post per warranty certificate issued varies from participant to participant based on established business criteria.

With regard to the warranting of the issued digital certificates, the system provides a review process for claim complaints filed against an issued warranty to avoid disputes should a transaction event go awry as a result of misidentified parties. As shown in Figure 8, when a warranty for a digital identity certificate is issued to a relying customer 40 (step 802) and a dispute arises, one of the following occurs: the relying customer 40 files a claim within the warranty expiration date (step 804, see also B in Figure 8F; the relying customer 40 does not file a claim within the applicable time period and the warranty expires (step 806); or the relying customer 40 files a claim after the applicable time period and the warranty expires (step 808).

If the relying customer 40 files a claim within the warranty time limit with relying participant 30 (step 804), then the relying participant 30 notifies the corresponding issuing participant 10 of a filed claim and provides supporting evidence per the contractual obligations with the issuing participant 10 and relying customer 40 (see also C in Figure 8F). In step 814, issuing participant 10 determines whether it will pay. If the issuing participant 10 decides not to pay the claim, the issuing participant 10 informs relying participant 30 of its decision (816). If the relying customer 40 is dissatisfied with issuing participant's decision, the relying customer 40 may initiate dispute resolution/arbitration proceedings (820, see also E in Figure 8F). The issuing participant 10 may also decide to pay the warranty claim (814).

If a claim is not filed within the warranty expiration date (806), then the issuing participant's outstanding warranty amount is decreased by the predetermined expired warranty amount. If a claim is filed after warranty expiration (808), then no funds are paid out.

In this manner, the system of the Hicks et al application provides a digital business interface between participants in a closed business system. Certain participants within the Hicks system are charged with identifying and certifying the digital identity of individual parties and providing digital identification certifications and further providing warranties of the digital certifications. The issued warranties are financially backed-up by collateral accounts that set aside funds to provide compensation to claim complaints filed against the issued warranties should a transaction event go awry as a result of misidentified parties. Importantly, however, the Hicks system **does not** concern itself with, or process claims against, a manufacturer's product. Additionally, when a claim is filed in the Hicks system against the issued warranty for the validity of a digital identification certificate, the Hicks system does not access the monetary a value of the particular claim and then process it through a predetermined series of management levels for approval.

## 2. U.S. Patent No. 5,182,705 to Barr et al.

The Barr et al. patent is directed toward a system and method for substantially automating the work management of insurance policy claims. Specifically, Barr et al. discloses a system and method that computer automates the management and control of every insurance claim filed into the system. Supervisors and staff members are provided with the ability to maintain an accurate record of all activities undertaken in the processing of an insurance claim and the further ability to access the complete claim file at any time during the process.

In practice, the processing of a claim begins with the receipt of a notice of a loss from an insured, a claimant, a customer or an agent. These loss notices are received by mail, telephone, in person or electronically. The information from these notices is keyed into a local host computer (Figure 5) where a separate electronic file or record is created for each loss. The claims are each

processed by a “claim automation system” (CAS) model illustrated in Figure 7. The CAS operates from the host computer, which automates and provides all the processing steps of a insurance claim filing as illustrated in Figures 1 through 4.

As in the non-automated system, a Claim Assistant is responsible for the input of loss notices into the CAS System. The loss notice information is input through a Loss Processing Transaction ("LPT") function from a Primary Menu (see, e.g., Tables II and III). The first screen displayed is the Loss Processing Transaction Interface screen that is used to input skeletal policy information which, in turn, is used to extract policy information from a Policy File which may reside in one of the host computer's databases or in a local database. When information is successfully extracted from the Policy File or Policy Index Table, and upon completion of the LPT Interface screen, a series of loss screens are displayed that contain policy/insured and loss/claim description data. The number of screens and their sequence is relative to the number of claims arising from the loss occurrence and the manner in which the loss was reported.

The initial screens accessed contain fields for inputting required information that applies to the entire loss occurrence. Reporting screens are used to record information that is specific to an individual claim arising out of the loss occurrence. Screens are also available for entering Witness, Contact/Comment information and Special Procedures, if applicable. Where the notice of loss is received electronically from agents, insureds, customers or a central reporting center, the information is in a form that pre-fills the fields in the LPT.

From the Claim Set up screen, the LPT can be completed, routed to another staff member for additional input or review, or edited further, typically, a supervisor for review and assignment. Upon completion of the form, the supervisor electronically assigns the claim to a particular handler for

processing by using a Route/Process screen. A sequential claim number (or record report number) is automatically generated and assigned by the system to every claim resulting from the loss.

A different work flow occurs depending on the handler's selection of the type of payment transaction (i.e. close, partial, reopen/close) and the method of issue (i.e. machine, manual, repetitive). To choose a claim upon which a payment is to be made, a Claim List screen displays the claim family and is prefilled, listing the main claim number, followed by any companion claim numbers.

However, neither the Hicks et al. publication nor the Barr et al. patent disclose or suggest a method of *processing a customer claim against a manufacturer's product* that includes the steps of *determining the monetary value of the claim*, then approving or denying the claim at *the first management level* when the monetary value of the claim is below a first predetermined level. The Hicks et al. publication and the Barr et al. patent also do not disclose or suggest *a second management level* that acts to review all claims input at the first management level and which acts to approve or deny the claim when the monetary value of the claim is above the first predetermined level and below a second predetermined level. Further, the Hicks et al. publication and the Barr et al. patent do not disclose or suggest a *third management level* acting to review all claims input at the first and second management levels and acting to approve or deny the claim when the monetary value of the claim is above the second predetermined level as required by independent claim 1.

Additionally, the Hicks et al. publication and the Barr et al. patent do not disclose or suggest a method for *processing a customer claim against a manufacturer's product* after the expiration of a specified warranty period including a *fourth management level* to review all approved claims for accuracy and completeness and to inform the customer when a claim is denied as required by independent claim 19. The fourth management level acts to inform an accounting management level

when a claim has been approved and then directs the accounting management level to reimburse the customer. Similarly, the Hicks et al. publication and the Barr et al. patent do not disclose or suggest a *fourth management level* as described above in connection with *processing a customer claim against a manufacturer's product* for ancillary costs arising from customer expenses associated with the servicing of the product while still within the manufacturer's specified warranty period as required by independent claim 20.

### **3. Published U.S. Patent Application No. 2003/0018497 to Luedtke**

The Luedtke publication is directed toward providing an interactive system in which a primary insurer or reinsured may interactively bind coverage of primary insurance policies under a automatic reinsurance agreement to a secondary insurer or reinsurer so that the reinsurer and reinsured may monitor the status of coverage for each of the policies submitted for automatic coverage. The method is conducted through a computer system including a database for storing pertinent data and information and one or more computers or servers. The computers or servers are accessible through a computer network. The software generates screens, generally in the form of web pages through which information and data concerning the administration of the facultative automatic agreement may be collected and displayed. In part, Luedtke discloses a web page button for approval or denial of the policy transfer transactions. However, it is respectfully submitted that Luedtke is entirely distinct from the other prior art references as well as the method of the present invention.

In summary, none of the prior art references of record in this case disclose or suggest the methods of processing a customer claim against a manufacturer's product as described in independent claims 1, 19, and 20, including first, second, and third and/or fourth management levels,

nor the specific functions performed by these management levels. Claims 2 – 18 are each ultimately dependant upon independent claim 1 and add further perfecting limitations thereto.

## **C. The Present Invention**

### **1. Independent Claim 1**

In contrast to the prior art references, the present invention as defined in independent claim 1 is a method of *processing a customer claim against a manufacturer's product* that includes the steps of inputting the claim through a computer to a database at a first management level, determining the monetary value of the claim, approving or denying the claim at the first management level when the monetary value of the claim is below a first predetermined level. The method includes a second management level that acts to review all claims input at the first management level and to approve or deny the claim when the monetary value of the claim is above the first predetermined level and below a second predetermined level. A third management level acts to review all claims input at the first and second management levels and to approve or deny the claim when the monetary value of the claim is above the second predetermined level.

### **2. Independent Claims 19 and 20**

Independent claim 19 is directed toward a method of *processing a customer claim against a manufacturer's product* when the claim is made for repair or replacement of the product *after* the expiration of a specified warranty period. Similarly, independent claim 20 is directed toward a method of *processing a customer claim against a manufacturer's product* when the claim is made *for ancillary costs* arising from customer expenses associated with the servicing of the product while still within the manufacturer's specified warranty period. Both independent claims 19 and 20

include the limitations set forth in independent claim 1 as described above. In addition, both independent claims 19 and 20 include a fourth management level to review all approved claims for accuracy and completeness and to inform the customer when a claim is denied and to inform an accounting management level when a claim has been approved and direct the accounting management level to reimburse the customer.

#### **D. Discussion**

A rejection based on §103 must rest on a factual basis, with the facts being interpreted without a hindsight reconstruction of the invention from the prior art. Thus, in the context of an analysis under § 103, it is not sufficient merely to identify one reference that teaches several of the limitations of a claim and another that teaches several limitations of a claim to support a rejection based on obviousness. This is because obviousness is not established by combining the basic disclosures of the prior art to produce the claimed invention absent a teaching or suggestion that the combination be made. Interconnect Planning Corp. v. Fiel, 774 F.2d 1132, 1143, 227 U.S.P.Q. (BNA) 543, 551 (Fed. Cir. 1985); In Re Corkhill, 771 F.2d 1496, 1501-02, 226 U.S.P.Q. (BNA) 1005, 1009-10 (Fed. Cir. 1985). The relevant analysis invokes a cornerstone principle of patent law:

That all elements of an invention may have been old (the normal situation), or some old and some new, or all new, is however, simply irrelevant. Virtually all inventions are combinations and virtually all are combinations of old elements. Environmental Designs v. Union Oil Co. of Cal., 713 F.2d 693, 698 (Fed. Cir. 1983) (other citations omitted).

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A patentable invention . . . may result even if the inventor has, in effect, merely combined features, old in the art, for their known purpose without producing anything beyond the results inherent in their use. American Hoist & Derek Co. v. Sowa & Sons, Inc., 220

U.S.P.Q. (BNA) 763, 771 (Fed. Cir. 1984) (emphasis in original, other citations omitted).

As the Court of Appeals for the Federal Circuit has noted in the past, “[w]hen a rejection depends upon a combination of prior art references, there must be some teaching, suggestion, or motivation to combine the references.” Ecolochem, Inc. v. Southern Calif. Edison, 56 U.S.P.Q. 2d 1065, 1073 (Fed. Cir. 2000). Here, there is simply no motivation provided in either of the Hicks et al., or the Barr et al references to combine their teachings. Furthermore, even assuming that such a motivation existed, a combination of these references would not result in the method of *processing a customer claim against a manufacturer’s product* as described in independent claims 1, 19, and 20.

It is respectfully submitted that the Hicks and Barr references skirt around, but do not suggest the claimed invention *as a whole*. See Hybritech Inc. v. Monoclonal Antibodies, Inc., 802 F.2d 1367, 1383 (Fed. Cir. 1986). Further, it is respectfully submitted that one must pick and choose elements from the dissimilar methods disclosed in the Hicks et al and Barr et al. references and then combine these elements by restructuring the methods, using hindsight and applicant’s own disclosure, to conclude that the claimed invention is obvious. And, even if this analysis were proper under § 103, the limitations of the claims of the present application would not be met. Applicant respectfully submits that the rejection is improper in view of the disclosure of the prior art.

More specifically, the Hicks et al. publication is directed to a digital business interface between participants in a closed business system. Certain participants within the Hicks system are charged with identifying and certifying the digital identity of individual parties and providing digital identification certifications and further providing warranties of the digital certifications. The issued warranties are financially backed-up by collateral accounts that set aside funds to provide compensation to claim complaints filed against the issued warranties should a transaction event go

awry as a result of misidentified parties. The Hicks system does not concern itself with, or process claims against, a manufacturer's product. Additionally, when a claim is filed in the Hicks system against the issued warranty for the validity of a digital identification certificate, the Hicks system does not access the monetary a value of the particular claim against a manufacturer's product and then process it through a predetermined series of management levels for approval. The Examiner acknowledges that Hicks et al. fails to teach processing the claim through three separate management levels based on the monetary value of the claim, as defined in independent claim 1. (See, e.g., ¶4, pg. 2, Jan. 26, 2006 Office Action.) Similarly, the Hicks et al. publication does not teach a fourth management level that reviews approved claims against a manufacturer's product for accuracy and completeness and informs the customer of a denial. Moreover, Hicks et al. says nothing about any management level that informs and directs an accounting management level to reimburse the customer when a claim against a manufacturer's product is approved as defined in independent claims 19 and 20.

On the other hand, the Barr et al. '705 patent is directed toward a system and method that computer automates the management and control of every insurance claim filed into the system. The Examiner suggests that the Barr process includes hierarchical levels that can be combined with the Hicks et al publication. However, Barr '705 is concerned with computer automating the process of approving or denying insurance payouts to loss claims. The routing of claims in process to other staff member and a single supervisor provides easy and rapid processing of insurance loss claims and is not necessarily hierarchical. Furthermore, even if the routing step of Barr to a supervisor is somehow hierarchical in nature, the combining of the automated insurance claims processing operations of the Barr '705 patent with the complex financial transaction business system of the Hicks et al publication having digital identification certification process would not result in a logical

and useable system. In short, applicant respectfully submits that there is no motivation to combine these references. Furthermore, even if the methods of Hicks et al. and Barr al. were combined, they would fail to teach the present invention as defined in independent claims 1, 19, and 20.

The Luedtke publication does not make up for the deficiencies in the teachings of the Hicks et al. or Barr et al. As noted above, Luedtke is merely cited as disclosing a web page button. However, the Luedtke application is entirely distinct from the other prior art references of record in this case and cannot cure the deficiencies in these references.

The Examiner also disregards the entire context of the method of independent claims 1, 19 and 20 in connection with “processing a customer claim against a manufacturer’s product” on the basis that this contextual description is found in the preamble of the claims. The Examiner has interpreted this phrase to be merely the intended use of the claimed invention. (See, e.g., ¶21, pg. 7, Jan. 26, 2006 Office Action.) However, this is clearly incorrect. Throughout the claims of the present application, the method repeatedly refers to “the claim.” In this case, “the claim” refers, specifically, to a “customer claim against a manufacturer’s product.” This is the only context in which the term “a claim” is used in this case. It is now well settled that language used in a patent claim must be interpreted in view of the specification, of which it is a part. In this case, there can be no dispute that the term “a claim” as used in this case is a structural limitation that limits the application of the method of the present invention to “processing a customer claim against a manufacturer’s product.”

In summary, applicant respectfully submits that the Examiner has mischaracterized the disclosures of the prior art relied upon to reject claims 1 – 20, stretching the disclosures and filling in missing elements, in an attempt to meet the limitations of the claims presented on appeal in this case.

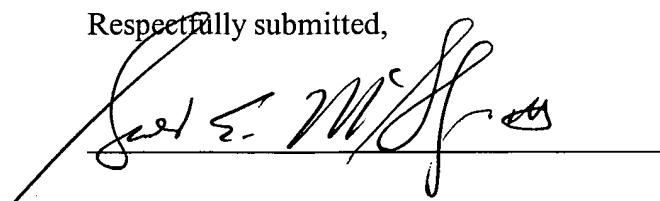
Applicant respectfully submits that this is improper and the rejection of independent claims 1 – 20 cannot stand.

Thus, it is respectfully submitted that independent claims 1, 19, and 20 recite methods that are not disclosed or suggested by the prior art and are patentably distinguishable from the subject matter of the references discussed above. Claims 2 through 18 are all ultimately dependant upon independent claim 1 and add further perfecting limitations. As such the prior art references in combination or each reference standing alone do not suggest the present invention. However, even if they did, they could only be applied through hindsight after rearranging the disclosure of the prior art in view of applicant's invention. A combination of the prior art in this way to derive applicant's invention would, in and of itself, be an invention.

### CONCLUSION

In view of the above, applicant respectfully submits that the claims are clearly distinguished over the prior art and are therefore allowable. Accordingly, applicant respectfully solicits the allowance of the claims pending in this case.

Respectfully submitted,



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## **CLAIMS APPENDIX**

1. A method of processing a customer claim against a manufacturer's product, said method includes the steps of:

inputting the claim through a computer to a database at a first management level;

determining the monetary value of the claim;

approving or denying the claim at the first management level when the monetary value of the claim is below a first predetermined level;

a second management level acting to review all claims input at the first management level and acting to approve or deny the claim when the monetary value of the claim is above the first predetermined level and below a second predetermined level; and

a third management level acting to review all claims input at the first and second management levels and acting to approve or deny the claim when the monetary value of the claim is above the second predetermined level.

2. A method as set forth in claim 1, which further includes the steps of:

providing a fourth management level to review all approved claims for accuracy and completeness and to inform the customer when a claim is denied and to inform an accounting management level when a claim has been approved and direct the accounting management level to reimburse the customer.

3. A method as set forth in claim 1 wherein the step of inputting a claim through a computer further includes the steps of accessing the corporate database through a computer connected to a corporate network, and opening a new record file for the customer claim.

4. A method as set forth in claim 3 wherein the step of accessing the corporate database through a computer connected to a corporate network further includes the step of entering a predetermined login name and a predetermined password to request access.

5. A method as set forth in claim 3 wherein the step of accessing the corporate database through a computer connected to a corporate network further includes the steps of accessing the internet through any capably equipped computer, electronically accessing a world wide web interface to the corporate network, and electronically connecting the computer to the corporate network through the internet and world wide web connections.

6. A method as set forth in claim 5 wherein the step of electronically connecting the computer to the corporate network through the internet and world wide web connections further includes the step of entering a predetermined login name and a predetermined password to request access.

7. A method as set forth in claim 6 wherein the step of inputting a claim through a computer further includes the step of selecting from a menu at least one operational link to another page for input of claim specific data.

8. A method of processing a customer claim as set forth in claim 1 wherein the steps of inputting an approval or denial of the claim further includes the steps of accessing the corporate

database through a computer connected to a corporate network, and opening a new record file for the customer claim.

9. A method as set forth in claim 8 wherein the step of accessing the corporate database through a computer connected to a corporate network further includes the step of entering a predetermined login name and a predetermined password to request access.

10. A method as set forth in claim 8 wherein the step of accessing the corporate database through a computer connected to a corporate network further includes the steps of accessing the internet through any capably equipped computer, electronically accessing a world wide web interface to the corporate network, and electronically connecting the computer to the corporate network through the internet and world wide web connections.

11. A method as set forth in claim 10 wherein the step of electronically connecting the computer to the corporate network through the internet and world wide web connections further includes the step of entering a predetermined login name and a predetermined password to request access.

12. A method as set forth in claim 11 wherein the step of a second management level acting to review all claims input at the first management level further includes the step of selecting from a menu at least one operational link to another page to generate a list of all open claims.

13. A method as set forth in claim 12 wherein the step of a second management level acting to review all claims input at the first management level further includes the step of selecting one claim file from the list of all open claims to select a specific claim to review.

14. A method as set forth in claim 13 wherein the step of a second management level acting to approve or deny the claim further includes the step of selecting either an approve or a deny web page button to indicate the decision.

15. A method as set forth in claim 11 wherein the step of a third management level acting to review all claims input at the first and second management levels further includes the step of selecting from a menu at least one operational link to another page to generate a list of all open claims.

16. A method as set forth in claim 15 wherein the step of a third management level acting to review all claims input at the first and second management levels further includes the step of selecting one claim file from the list of all open claims to select a specific claim to review.

17. A method as set forth in claim 15 wherein the step of a third management level acting to approve or deny the claim further includes the step of selecting either an approve or a deny web page button to indicate the decision.

18. A method as set forth in claim 11 wherein the step of requiring a fourth management level to review all approved claims for accuracy and completeness further includes the steps of

selecting from a menu at least one operational link to another page to generate a list of all open claims and selecting one claim file from the list of all open claims to select a specific claim to review.

19. A method of processing a customer claim against a manufacturer's product when the claim is made for repair or replacement of the product after the expiration of a specified warranty period, said method includes the steps of:

- inputting the claim through a computer to a database at a first management level;
- determining the monetary value of the claim;
- approving or denying the claim at the first management level when the monetary value of the claim is below a first predetermined level;
- a second management level acting to review all claims input at the first management level and acting to approve or deny the claim when the monetary value of the claim is above the first predetermined level and below a second predetermined level;
- a third management level acting to review all claims input at the first and second management levels and acting to approve or deny the claim when the monetary value of the claim is above the second predetermined level; and
- providing a fourth management level to review all approved claims for accuracy and completeness and to inform the customer when a claim is denied and to inform an accounting management level when a claim has been approved and direct the accounting management level to reimburse the customer.

20. A method of processing a customer claim against a manufacturer's product when the claim is made for ancillary costs arising from customer expenses associated with the servicing of the product while still within the manufacturer's specified warranty period, said method includes the steps of:

- inputting the claim through a computer to a database at a first management level;
- determining the monetary value of the claim;
- approving or denying the claim at the first management level when the monetary value of the claim is below a first predetermined level;
- a second management level acting to review all claims input at the first management level and acting to approve or deny the claim when the monetary value of the claim is above the first predetermined level and below a second predetermined level;
- a third management level acting to review all claims input at the first and second management levels and acting to approve or deny the claim when the monetary value of the claim is above the second predetermined level; and
- providing a fourth management level to review all approved claims for accuracy and completeness and to inform the customer when a claim is denied and to inform an accounting management level when a claim has been approved and direct the accounting management level to reimburse the customer.

## **EVIDENCE APPENDIX**

None.

**RELATED PROCEEDINGS APPENDIX**

None.